

The embodiments of the invention in which an exclusive property or privilege is claimed are defined as follows:

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1. A computer system for providing interactive formulation of product definitions between the system and a product vendor comprising:
    - a. at least one extensible transaction database for storing flexible representations of product definitions;
    - b. at least one system controller for selectively retrieving and comparing the vendor-entered information with the stored flexible representation of the product definition; and,
    - c. a plurality of interactive scripts, wherein said interactive scripts comprise presenting to the product vendor the option of selecting for entry either the retrieved data, the vendor-entered information or an option to further refine the vendor-entered information, and wherein selection of one of the presented options comprises the selecting one of said plurality of interactive scripts and executing the one of said plurality of interactive scripts.
  2. The computer system of Claim 1 further comprising:
    - a. at least one extensible vendor database for storing flexible representations of vendor definitions;
    - b. a associating means for creating associations between at least one of the flexible representations of product definitions store in the transaction database and at least one of the flexible representations of vendor definitions stored in the vendor database; and,
    - c. at least one editor means for entering or changing flexible representations of vendor definitions.
  3. A method for compiling a customer database wherein information predicting customer behavior can be collected, comprising:

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- a. providing a customer database comprising names and purchasing habits of a multiplicity of customers;
  - b. providing a transaction database comprising definitions of a multiplicity of products; the appropriate sales unit for each of the multiplicity of items, and, a unique variable identifier associated with each product;
  - c. receiving a multiplicity of customer's bills from a multiplicity of vendors; itself comprising:
    - i. splitting each bill into component line item transactions;
    - 10 ii. associating each line item with the corresponding variable identifier from the transaction database;
    - iii. determining the amount of each product purchased in terms of the sales unit;
    - iv. determining the date of the line item transaction;
    - v. associating the line item transaction with the customer.
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4. The method for compiling a customer database of Claim 3, wherein step a. additionally comprises
    - i. enrolling a customer, itself comprising:
      - (A) submitting a questionnaire comprising requests for identification and demographic data;
      - (B) reviewing customer's responses to the questionnaire;
      - 20 (C) inputting customer's responses to the questionnaire; and,
      - (D) associating the inputted responses with a unique variable identifier;
    - ii. augmenting the customer data, itself comprising:
      - (A) requesting the customer's consumer credit report from a credit reporting agency;
      - (B) receiving the consumer credit report;
      - 25 (C) inputting the contents of the consumer credit report; and,
    - iii. associating the inputted contents with the unique variable identifier;
  5. The method for compiling a customer database of Claim 3, additionally comprising:

- d. determining a cycle length for periodic purchases;
- e. determining demographic factors desirable for predicting purchase behavior; and,
- f. analyzing the compiled data associated with a customer for the presence of each of the demographic factors.

5 6. The method of compiling a customer database of Claim 4, additionally comprising:

- g. identifying specific demographic factors lacking from the compiled data;
- h. formulating questions related to the lacking demographic factors;
- i. transmitting the questions to the customer; and
- j. associating the customer responses with the unique variable identifier.

10 7. A method for facilitating electronic commerce between a multiplicity of customers and a multiplicity of vendors, comprising:

a. creating a customer database, comprising:

- i. enrolling a multiplicity of customers into a closed market;
- ii. inputting a unique variable identifier to each of the multiplicity of customers; and,
- iii. creating an initial record containing the identity and demographic information for each of the multiplicity of customers;

b. creating a transaction database; comprising:

- i. creating a record corresponding to each of a multiplicity of products;
- ii. identifying a sales unit quantity appropriate to the product;
- iii. inputting a unique variable identifier to the product; and
- iv. sorting and categorizing the products according to categories comprising function, use and composition;

c. creating a vendor database, comprising:

- i. creating a record corresponding to each of a multiplicity of vendors;
- ii. inputting a unique variable identifier to each of the multiplicity of vendors;

d. recording all purchases; comprising:

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- i. identifying each customer who effected the purchase being recorded by each customer's unique variable identifier stored in the customer database;
  - ii. identifying the vendor, from the vendor database, from whom the customer effected the purchase by the vendor's unique variable identifier;
  - iii. splitting each purchase into component line items;
  - iv. determining the number of sales units purchased in each component line item;
  - v. identifying each component line item by its unique variable identifier inputted in the transaction database;
  - vi. identifying a date for each purchase; and,
  - vii. inputting a relational instance in the customer database, comprising:
    - (A) the customer's unique variable identifier;
    - (B) the line item's unique variable identifier, stored in the transaction database;
    - (C) the multiple of sales units;
    - (D) the vendor's unique variable identifier, stored in the vendor database; and,
    - (E) the date of purchase.

8. The method for facilitating commerce in Claim 7, further comprising the steps of:

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- e. receiving a vendor's offer to sell a product to the multiplicity of customers;
  - f. sorting the demographic data and purchase history for each customer and, in turn, sorting the multiplicity of customers by a multiplicity of segments, each segment representing a group of one or more demographic characteristics or purchases;
  - g. calculating a statistical score representing "market penetration" of the vendor's offer for each of the multiplicity of segments based upon demographic characteristics and purchase history; and,
  - h. sorting the multiplicity of segments by statistical score.

9. The method for facilitating commerce in Claim 8, further comprising the steps of:

- i. selecting a threshold score for likely customer acceptance of the vendor's offer; and,

- j. communicating the vendor's offer to those customers with a statistical score greater than the threshold score.

10. The method for facilitating commerce in Claim 9, further comprising the steps of:

- i. selecting a threshold score for likely customer acceptance of the vendor's offer;
- j. calculating the profit the vendor is likely to realize
- k. calculating the number of units sold the vendor is likely to realize by communicating the vendor's offer to those customers with a statistical score greater than the threshold score;
- l. calculating the market share the vendor is likely to realize by communicating the vendor's offer to those customers with a statistical score greater than the threshold score;

11. The method for facilitating commerce in Claim 10, further comprising the steps of:

- m. selecting values reflecting the acceptable profit, the acceptable number of units sold and the acceptable market share the vendor will realize from the vendor's offer;
- n. adjusting the terms of the vendor's offer in light of the profit, number of units sold, and market share so calculated;
- o. repeating steps e through h, and k through n until the profit, number of units sold and the market share most closely meet the selected values.

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